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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

AT&T Corp. Petition for Declaratory Ruling that Ameritech Ohio's Dialing Parity Cost Recovery Mechanism Violates 47 C.F.R. § 51.215	CC Docket No. 96-98 File No. NSD-L-00-06

REPLY COMMENTS OF AT&T CORP.

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February 22, 2000

TABLE OF CONTENTS

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AT&T CORP.'S REPLY COMMENTS

Pursuant to the Commission's January 28, 2000 Public Notice, AT&T Corp. ("AT&T") hereby replies to the comments of other parties concerning AT&T's petition for declaratory ruling concerning Ameritech Ohio's ("Ameritech") mechanism for recovery of its costs to implement intraLATA toll dialing parity ("ILP").[1]

SUMMARY

By both rule and order, the Commission has clearly detailed how an incumbent local exchange carrier ("ILEC") may lawfully recover the incremental costs of ILP implementation. Specifically, the ILEC must do so through a competitively neutral allocator that applies to all carriers, including the incumbent local exchange carrier; and that allocator cannot give one

1. The Public Utilities Commission of Ohio ("PUCO") and Ameritech filed comments opposing AT&T's petition. MediaOne Group, Inc. ("Media One") and MCI WorldCom, Inc. ("MCI") filed comments supporting AT&T's petition. None of these parties questions the Commission's exclusive authority over dialing parity implementation and cost recovery, which has been explicitly upheld by the Supreme Court. AT&T Corp. v. Iowa Utilities Bd., 119 S. Ct. 721, 733 (1999).

carrier an incremental competitive advantage over another when competing for the same customer. [2]

It is beyond dispute that Ameritech has not adopted such a competitively neutral allocator. Instead, it has submitted a dialing parity tariff that seeks to recover every penny of its ILP implementation costs through a per minute of use ("PMOU") charge that will be applied to IXC and competitive local exchange carrier ("CLEC") minutes of use, but not to Ameritech's own minutes of use. Ameritech and the PUCO argue that Ameritech is somehow "absorbing" its share of these implementation costs through "lost revenues" resulting from ILP implementation.[3] However, nothing in the Commission's rules or orders allow an ILEC to use lost revenues as a basis to avoid contributing, on a competitively neutral basis, to the implementation costs of ILP. Indeed, neither Ameritech nor the PUCO can dispute the fact that Ameritech's ILP PMOU charge would give Ameritech an incremental cost advantage when competing with other carriers for any customer in the intraLATA toll market in Ohio. This is a facial violation of the Commission's rules.

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2. 47 C.F.R. § 51.215; Second Report and Order and Memorandum Opinion and Order, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, 11 FCC Rcd. 19392 (1996) ("Second Local Competition Order").

3. If Ameritech seriously believed that these lost revenues were an appropriate consideration, it should have produced data supporting that claim in its comments. Ameritech now knows its ILP implementation costs and the amount of its lost revenues, yet it has failed to submit these amounts in defense of AT&T's petition. Ameritech's silence is telling and suggests that the figures simply confirm the anticompetitive and discriminatory result of Ameritech's unlawful ILP cost-recovery scheme.

I. NO PARTY DISPUTES THAT AMERITECH'S PMOU ALLOCATOR IS NOT COMPETITIVELY NEUTRAL AND, ON ITS FACE, VIOLATES 47 C.F.R. § 51.215

The determinative issue in this docket is whether Ameritech has adopted a "competitively neutral" allocator to recover its incremental costs of implementing intraLATA dialing parity. As this Commission has explicitly held, and as 47 C.F.R. § 51.215 provides, an allocator is not "competitively neutral" if it forces only competitive carriers to pay the incremental costs of dialing parity implementation. In other words, whatever allocator a state or carrier adopts, it must be applied equally to both the ILEC and competitive carriers alike. Second Local Competition Order, ¶ 92 (dialing parity implementation costs "must be recovered from all providers of telephone exchange service and telephone toll service in the area served by the LEC, including that LEC, using a competitively neutral allocator established by the state.").[4] An allocator that does not apply to both an ILEC and competitive carriers is *per se* unlawful, as it would by definition have a "disparate effect on the incremental costs of competing service providers seeking to serve the same customer" in violation of 47 C.F.R. § 51.215(b)(1).

Despite these clear Commission directives, no party disputes that Ameritech has failed to adopt a competitively neutral allocator. It is undisputed that Ameritech intends to recover its Ohio ILP implementation costs through a .5¢ PMOU charge assessed only on competing intraLATA toll carriers and not Ameritech.[5] And neither Ameritech nor the PUCO contests the

4. See also 47 C.F.R. §51.215(b)(1).

5. Since the filing of this petition, on February 1, 2000, Ameritech filed its proposed MOU rate for recovery of its ILP implementation costs. AT&T has attached that tariff filing to these reply comments as Attachment G (AT&T's petition included Attachments A-F).

fact that Ameritech will continue to collect this charge for the next three years until it has fully recovered its costs of ILP implementation.

This is exactly the scenario the Commission prohibited when it adopted its dialing parity rules: in Ohio, competitive carriers will be placed at an incremental cost disadvantage versus Ameritech because they will be forced to bear all of that ILEC's ILP implementation costs. As shown above, this result gives Ameritech a *per se* unlawful cost advantage and violates both 47 C.F.R. §§ 51.215(a) and (b)(1). See, e.g., Second Local Competition Order, ¶ 91 ("We therefore reject the argument of those commenters that assert that only new entrants should bear the costs of implementing dialing parity, because such an approach would not be competitively neutral."); Fourth Opinion and Order on Reconsideration, Telephone Number Portability, CC Docket No. 95-116, FCC 99-151, ¶ 50 (released July 16, 1999) ("Fourth LNP Reconsideration Order") (quoting 47 C.F.R. § 51.215(b)(1), the Commission found that "imposing the full incremental cost of interim number portability solely on new entrants would place them at an 'appreciable, incremental cost disadvantage relative to another service provider when competing for the same customer' and would, therefore, violate the first criteria of the competitive neutrality mandate").[6] As MCI correctly stated, "Ameritech's competitors will necessarily incur this tariff charge as a cost of doing business, yet Ameritech will avoid the charge if it seeks to offer service to the same customer."[7] The Commission's rules unequivocally prohibit this anticompetitive and discriminatory outcome.

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6. In its Second Local Competition Order, the Commission ruled that ILP cost recovery should be governed by the same framework of requirements established for interim number portability. Second Local Competition Order, ¶ 89.

7. MCI Comments, p. 3. See also, Media One Comments, pp. 3-4.

II. AMERITECH'S "LOST REVENUES" DO NOT NEGATE THE FACT THAT ITS PMOU ALLOCATOR IS ANTICOMPETITIVE AND UNLAWFUL

The only justification Ameritech and the PUCO offer for Ameritech's facially unlawful cost recovery scheme is that Ameritech's "lost revenues" caused by the introduction of ILP competition somehow justify exempting Ameritech from the PMOU charge. Both Ameritech and the PUCO claim that Ameritech is "sharing" the costs of ILP implementation by absorbing (i) reduced revenues which Ameritech may experience upon the loss of its monopoly over direct-dialed intraLATA toll services in Ohio; and (ii) revenue lost due to Ameritech's 90-day waiver of a $5.00 customer-specific charge for intraLATA PIC changes.[8]

As shown in AT&T's petition, the notion that lost revenues resulting from the end of an ILEC's monopoly control of intraLATA toll services is somehow a recoverable cost is antithetical to the purpose and intent of the 1996 Act.[9] Permitting offsets for "lost revenues" would directly undermine the Commission's carefully crafted requirement of competitive neutrality by granting a cost advantage to incumbent LECs paid for by carriers seeking to enter the intraLATA toll market.[10] As the Commission made clear in the First Local Competition

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8. PUCO Comments, pp. 4-7; Ameritech Comments, pp. 8-9. Although the PUCO backs away from this untenable position in its comments, in approving Ameritech's PMOU charge the PUCO relied on the fact that it believed Ameritech would pay its share of ILP implementation by losing toll revenues due to competition for direct-dialed intraLATA toll calls. See Attachment C, p. 4 (quoted in AT&T's petition at page 12). Attachment C to AT&T's petition is the PUCO's original order finding its cost recovery mechanism to be consistent with Commission rules. As the PUCO explains in its comments, that order provided the rationale for the PUCO's decision to approve Ameritech's ILP cost recovery tariff. See PUCO Comments, p. 2, n.1.

9. See Petition, p. 13; 47 C.F.R. § 51.505(d)(3).

10. Ameritech also attempts to justify its exemption from the PMOU charge imposed by its ILP tariff by observing that the PUCO Guideline X.F. applies to "presubscribed lines." See Ameritech Comments, pp. 9-10. Ameritech argues that customers that chose to stay

(footnote continued on next page)

Order, lost revenue resulting from competition is simply not a "cost" recoverable by incumbent LECs.[11]

Even assuming (contrary to fact) that the 1996 Act admitted Ameritech's argument that an ILEC should be made whole for any reduction in its monopoly intraLATA toll profits, that claim is directly contrary to the Commission's rules and orders dealing with ILP. Most importantly, the fact that Ameritech may see a reduction in its intraLATA toll revenues is simply immaterial to the fact that Ameritech's discriminatory .5¢ PMOU charge places competitive carriers at an "appreciable cost disadvantage" in violation of 47 C.F.R. § 51.215(b)(1). Moreover, the fact that Ameritech may have waived its $5.00 PIC charge when permitting Customer #1 to change to a competing intraLATA toll carrier does not negate Ameritech's unlawful competitive advantage in marketing to Customer #2. This is because unlike Ameritech, a competitive carrier's incremental costs of serving Customer #2 would include Ameritech's exorbitant .5¢ PMOU charge. Thus, it is beyond serious dispute that Ameritech's ILP cost

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(footnote continued from previous page)

with their incumbent LEC for intraLATA toll service are not "presubscribed" to Ameritech. As shown in AT&T's petition, that construction of the term "presubscribed" is directly contrary to the Commission's dialing parity rules -- and to common sense as well. See Petition, p. 14, n.30. In fact, even in the few remaining areas where *inter*LATA dialing parity does not exist, the FCC consistently has considered all customers in such areas to be presubscribed to AT&T. See, e.g., FCC Report on Long Distance Market Share, (1998 WL 904346, at p. 4., ¶ 2). But beyond this fact, Ameritech's untenable construction of the term "presubscribed" does not alter the fact that its PMOU charge violates the Commission's ILP cost recovery rules by imposing all of Ameritech's ILP implementation costs on competing carriers.

11. See First Report and Order, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, 11 FCC Rcd. 15499, ¶¶ 708-711 (1996) ("First Local Competition Order"); 47 C.F.R. § 505(d)(3).

recovery mechanism has a "disparate effect on the incremental cost of competing service providers seeking to serve the same customer" in violation of 47 C.F.R. § 51.215(b).[12]

Moreover, Ameritech's purported justification rests on the wholly erroneous and unlawful principle that these lost revenues somehow constitute "incremental" costs of ILP implementation that an ILEC may bear in lieu of the PMOU charge. As MCI correctly notes, Ameritech's and the PUCO's line of reasoning – that Ameritech's lost toll revenues from the introduction of ILP somehow justify excusing it from contributing to ILP cost recovery mechanism – effectively converts Ameritech lost revenues to a recoverable cost of ILP implementation, in direct contravention of the Commission's orders.[13]

In its Second Local Competition Order, the Commission made plain that the "incremental" costs of ILP implementation fall into a limited set of three categories: (1) the cost of dialing-parity specific software, (2) the cost of hardware and signaling system upgrades for dialing parity, and (3) consumer education costs.[14] Neither lost revenues from competition, nor the waiver of a state commission-imposed $5.00 PIC change, are "costs" that fall into these three categories. Thus, while it may be that Ameritech stands to lose certain revenues it might otherwise earn in the absence of the intraLATA toll competition mandated by § 251(b)(3), those

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12. Competitive intraLATA toll rates in Ohio range between 5-10¢ PMOU. In a market that is fought between price points of cents per minute, a .5¢ PMOU charge assessed on competitive carriers will place them at a significant competitive disadvantage to Ameritech, which pays nothing. Thus, even if there were not a *per se* violation of the Commission's rules, the .5¢ charge would certainly have "a disparate effect on the incremental costs of competing service providers seeking to serve the same customer." 47 C.F.R. § 51.215(b)(1).

13. See MCI Comments, p. 4.

14. Second Local Competition Order, ¶ 95.

lost revenues simply are not incremental ILP implementation costs. Thus, even after absorbing these lost revenues, under its Ohio tariff Ameritech will pay none of its incremental ILP implementation costs. Rather, Ameritech's ILP costs are fully recovered from competing carriers via Ameritech's discriminatory PMOU charge.[15]

The Commission's rules do not permit ILECs to deviate from fundamental principles of competitive neutrality by means of offsets for "lost revenues" the ILEC might experience due to competition or otherwise. While the Commission did give states considerable flexibility to adopt different types of ILP cost allocators, the Commission unambiguously required that such allocators must be applied to ILECs and CLECs alike, and required that any allocator must not give the ILEC a cost advantage. Those requirements plainly have not been satisfied here. Instead, Ameritech has adopted an allocator that incontrovertibly does not apply to its own operations, and the PUCO approved that allocator based on its belief that Ameritech might lose some significant, yet still unknown, revenue based on the introduction of intraLATA toll competition.

III. AMERITECH'S "LACHES" ARGUMENT IS MERITLESS, AND FINDS NO SUPPORT IN THE RECORD

In an attempt to preserve its anticompetitive PMOU charge, Ameritech argues that AT&T's complaint should be barred by the doctrine of laches. The gist of Ameritech's argument

15. Ameritech calculated its .5¢ PMOU charge by adding up all of its dialing parity implementation costs (as defined by Ameritech) and dividing those costs by the total intraLATA toll minutes of use its expects to be generated by competitive carriers over the next three years. Ameritech's tariff clearly states that the .5¢ PMOU charge is "a mechanism [that] was developed for the recovery of the incremental costs directly associated with the implementation of intraLATA presubscription." Attachment G, Exhibit C-3. Thus, there is no doubt that the .5¢ charge is intended to recover all of Ameritech's incremental ILP implementation costs.

is that AT&T somehow delayed bringing this petition while "all" other Ohio ILECs had previously implemented PMOU charges similar to that of Ameritech.[16] Instead, Ameritech claims AT&T singled out Ameritech. Ameritech therefore argues that it will be prejudiced by AT&T's alleged delay and the doctrine of laches should apply to bar AT&T's petition.[17]

Ameritech's contrived procedural claim finds no support in the history of this matter, and badly misapplies the "equitable" doctrine of laches. Laches only applies where (1) the plaintiff delayed filing suit for an inexcusable length of time from the time the plaintiff knew or reasonably should have known of its claim against the defendant, and (2) the delay operated to the prejudice or injure the defendant.[18] Ameritech cannot meet either of these elements. First, Ameritech's claim of prejudice, which is an essential element to a laches defense, is entirely untrue. It is ludicrous for Ameritech to claim laches when AT&T filed its petition months before Ameritech filed its PMOU charge, and when Ameritech has yet to begin collecting that charge. But beyond this fact, as AT&T noted in its petition, almost every large Ohio LEC, including Cincinnati Bell Telephone, Western Reserve Telephone Company, United Telephone Company of Ohio, and GTE North, voluntarily recovered their costs of dialing parity by imposing a PMOU charge on all intraLATA toll minutes originating in their service territories, including their own

16. See Ameritech, pp. 6-8.

17. Ameritech cites two Commission cases in alleged support of its argument, Western Union International, 70 FCC2d 1896, 1903 (1979) and Indiana Mobile Telephone Corporation, 22 FCC Rcd. 6272 (1987). Ameritech Comments, p. 8. Although AT&T agrees that in these cases the Commission acknowledged that the doctrine of laches could apply, Ameritech has failed to explain how the circumstances in this case support the extreme result of laches. In fact, in Western Union, the Commission found that laches did not apply because, like here, there was no showing of prejudice.

18. See, e.g., Western Union International, 70 FCC2d at 1903. See also, A.C. Aukermann Co. v. R.L. Chaides Construction Co., 960 F.2d 1020, 1032 (Fed. Cir. 1992).

customers' intraLATA usage.[19] Although AT&T cannot speak for those carriers, AT&T submits that these ILECs did so because at the time the PUCO's Guideline X.F. was adopted, all Ohio carriers assumed that the PUCO intended the ILEC's minutes of use be included in that cost recovery allocator, in compliance with federal law. Thus, Ameritech's claim of "prejudice" rings utterly hollow.

Second, Ameritech's laches claim is also misleading, as it fails to account for the procedural history of this matter in Ohio and in federal court. That history shows that once AT&T knew of its claim against Ameritech AT&T expeditiously prosecuted that claim. Ameritech's laches argument appears to be based on the fact that AT&T did not seek an appeal of the PUCO's approval of several small independent Ohio ILEC tariffs, which implemented a dialing parity cost mechanism identical to that of Ameritech. But the point Ameritech fails to disclose is that the PUCO approved those tariffs when the Eighth Circuit Court of Appeals had stayed the Commission's ILP cost recovery rules.

Indeed, the PUCO first approved a PMOU charge that did not specifically include an ILEC's own minutes of use in October 1998.[20] AT&T and MCI intervened in those tariff cases and objected based on the same grounds raised in the instant petition. The PUCO overruled AT&T's objections. At that time the Commission's rules had been overturned by the Eighth Circuit Court of Appeals,[21] and AT&T thus had a much more tenuous basis upon which to

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19. Petition, p. 8.

20. That order is attached to the Petition as Attachment B and the PUCO's subsequent entry on rehearing is attached to the Petition as Attachment C.

21. People of State of California v. FCC, 122 F.3d 934, 943 (8th Cir. 1997) *vacated in relevant part by* AT&T Corp. v. Iowa Utilities Bd., 119 S. Ct. 721 (1999).

appeal the PUCO's decisions to federal court, and little basis to bring a complaint at the FCC. In addition, AT&T frankly felt that the amount of money at issue in, and the competitive harm caused by, those small ILEC PMOU charges did not justify the expense of a legal challenge to those PUCO rulings.[22] In fact, by the time the Commission's dialing parity rules were reinstated by the Supreme Court in January 1999, it is AT&T's understanding that most, if not all, of the Ohio independent ILECs had fully recovered their ILP implementation costs.

It was not until December 1998 that Ameritech filed its ILP cost recovery tariff at issue here. Over the objection of AT&T and MCI, the Commission initially approved Ameritech's cost recovery mechanism by order dated January 14, 1999.[23] Again, at that time the Commission's ILP cost recovery rules were subject to the Eighth Circuit's *vacatur*. Eleven days later, however, on January 25, 1999 the United States Supreme Court reinstated the FCC's ILP cost recovery rules. Based on these reinstated rules, AT&T and MCI immediately sought rehearing of the PUCO's January 14th order. The PUCO denied that rehearing application by order dated March 18, 1999.[24]

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22. Ameritech's laches claim is also deficient because it is based on AT&T's alleged delay in proceeding not against Ameritech, but against third parties. The relevant time period in assessing a laches claim is when the plaintiff knew or reasonably should have known of its claim against the defendant, not any potential defendant. Ameritech may not interpose AT&T's alleged failure to pursue its claims against other potential defendants to somehow bar AT&T's claim against Ameritech. Plainly, AT&T has the right to pick its defendants. Ameritech may not excuse -- on the basis of laches or any other theory -- a violation of federal law on the grounds that other ILECs may also have engaged in similar violations.

23. See Attachment E to AT&T's petition.

24. See Attachment F to AT&T's petition.

AT&T did not delay in challenging that decision. Just one month later, on April 28, 1999 AT&T filed a complaint for declaratory relief in United States District Court for the Southern District of Ohio (Case No. C2-00-414) seeking a ruling that Ameritech's ILP cost recovery mechanism violated federal law. Ameritech was named as a party in that case. After extensions of the answer date necessitated by negotiations between the parties, AT&T voluntarily dismissed that complaint with the intent of seeking resolution at the Commission. Ameritech agreed to those extensions of time in federal court and, in fact, knew that one of the intended results of the settlement negotiations was for AT&T to take its complaint to the Commission. Thus, AT&T certainly did not delay seeking its challenge of Ameritech's unlawful ILP cost recovery mechanism. Ameritech has long known of AT&T's intent to challenge that mechanism and AT&T's intent to seek redress at the Commission. Once the Commission's ILP rules were reinstated, AT&T acted expeditiously in seeking such review, and there is simply no basis to apply the extreme doctrine of laches.

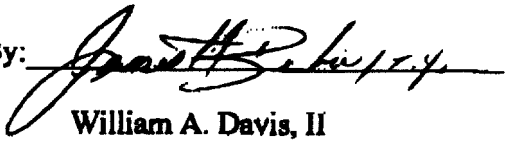
Based on this procedural history, it is clear that AT&T did not sit on its rights and Ameritech has no claim to prejudice. The Commission should reject Ameritech's laches argument for what it is: a misleading, last-ditch attempt by Ameritech to retain the competitive advantage its unlawful PMOU charge gives it.

CONCLUSION

For the foregoing reasons, and those stated in AT&T's petition, AT&T respectfully requests that Commission rule that Ameritech's dialing parity tariff, as interpreted and approved by the PUCO, is contrary to the Commission's rules and orders governing dialing parity cost recovery.

Respectfully submitted,

AT&T CORP.

By: 

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Its Attorneys

February 22, 2000

ATTACHMENT G

Before
THE PUBLIC UTILITIES COMMISSION OF OHIO

Application Not for an Increase in Rates,
pursuant to Section 4909.18 Revised Code

In the Matter of the Application of Ameritech Ohio to Revise its Ameritech Tariff, P.U.C.O. No. 20, To Establish the Minute of Use (MOU) Rate for the IntraLATA Presubscription Implementation Charge.	))))))))	Case No. 96-1353-TP-ATA

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1. APPLICANT RESPECTFULLY PROPOSES: (Check applicable proposals)

( )	New Service	( )	Change in Rule or Regulation
( )	New Classification	( )	Reduction in Rates
( )	Change in Classification	( )	Correction of Error
(X)	Other, not involving increase in rates:		
( )	Various related and unrelated textual revisions, without change in intent		

2. DESCRIPTION OF PROPOSAL:

To establish the minute of use (MOU) rate for the IntraLATA Presubscription Implementation Charge.

3. AMERITECH TARIFF, P.U.C.O. NO. 20:

Part(s):

21

Part Title(s):

Access Services

Section(s):

2

Section Title(s):

Exceptions to FCC No. 2 Tariff

Paragraph(s):

1.A.2.

4. Attached hereto and made a part hereof are: (Check applicable Exhibits)

   (X) Exhibit A - existing schedule sheets (to be superseded) if applicable.

   (X) Exhibit B - proposed schedule sheets.

   ( ) Exhibit C-1 -

      (a) if new service is proposed, describe;

      (b) if new equipment is involved, describe (preferably with a picture, brochure, etc.) and where appropriate, a statement distinguishing proposed service from existing services;

      (c) if proposed service results from customer requests, so state, giving if available, the number and type of customers requesting proposed service.

   ( ) Exhibit C-2 - if a change of classification, rule or regulation is proposed, a statement explaining reason for change.

   (X) Exhibit C-3 - statement explaining reason for any proposal not covered in Exhibits C-1 or C-2.

   ( ) Exhibit D - Data Requirements pursuant to PUCO Rules 4901:1-8-01 through 4901:1-8-03.

5. This application will not result in an increase in any rate, joint rate, toll, classification, charge or rental.

6. Applicant respectfully requests the Commission to permit the filing of the proposed schedule sheets, to become effective on the date, subsequent to filing, to be shown on the proposed schedule sheets which will be filed with the Commission; and to be in the form of the schedule sheets in Exhibit B, modified by any further revisions that have become effective prior to the effective date of the proposed schedule sheets.

Susan Dronbutte
Applicant

State Regulatory Advocate
Title

150 East Gay Street, Room 4C
Columbus, Ohio 43215
Address

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Telephone Number

1. **EXCEPTIONS (cont'd)**

A. Switched Access Service (cont'd)

1. Rates and Charges (cont'd)

c. Payphone Services Provider Line Identification Charge

(1) Rates associated with this offering will not apply intrastate.

Description	Monthly Price
PSP Line Identification, per line equipped	$0.00

d. Service Provider Number Portability Service (SPNP) Monthly Charge (N)

Interstate only, does not apply to the Ohio jurisdiction.

e. Local Number Portability (LNP) Query Service

Interstate only, does not apply to the Ohio jurisdiction. (N)

2. IntraLATA Presubscription Implementation Charge

The IntraLATA Presubscription Implementation Charge is a $_____ per minute of use charge that is assessed to recover the Telephone Company's costs associated with the implementation of IntraLATA Presubscription as described in (B) following. The charge is applied to originating IntraLATA Switched Access minutes generated on lines that are presubscribed for intraLATA toll service. The IntraLATA Presubscription Implementation Charge becomes effective one year and 45 days after the effective date of this tariff unless otherwise ordered by the Commission, and will remain in effect for three years.

B. Special Access Service

1. Ameritech Enhanced Performance Assurance Program

a. Credit Cap

The Company will not be obligated to credit its access customers in the aggregate a total amount greater than $.050 million per quarter for DS0 service, and $.075 million per quarter for DS1 service, and no more than $0.5 million in a calendar (January-December) year ($0.250 million from July-December, 1997). Consistent with the F.C.C. program, the effective date of this program is July 1, 1997.

1. **EXCEPTIONS (cont'd)**

A. Switched Access Service (cont'd)

1. Rates and Charges (cont'd)

c. Payphone Services Provider Line Identification Charge

(1) Rates associated with this offering will not apply intrastate.

Description	Monthly Price
PSP Line Identification, per line equipped	$0.00

d. Service Provider Number Portability Service (SPNP) Monthly Charge

Interstate only, does not apply to the Ohio jurisdiction.

e. Local Number Portability (LNP) Query Service

Interstate only, does not apply to the Ohio jurisdiction.

2. IntraLATA Presubscription Implementation Charge

The IntraLATA Presubscription Implementation Charge is a $.005121 per minute of use charge that is assessed to recover the Telephone Company's costs associated with the implementation of IntraLATA Presubscription as described in (B) following. The charge is applied to originating IntraLATA Switched Access minutes generated on lines that are presubscribed for intraLATA toll service. The IntraLATA Presubscription Implementation Charge becomes effective one year and 45 days after the effective date of this tariff unless otherwise ordered by the Commission, and will remain in effect for three years. (C)

B. Special Access Service

1. Ameritech Enhanced Performance Assurance Program

a. Credit Cap

The Company will not be obligated to credit its access customers in the aggregate a total amount greater than $.050 million per quarter for DS0 service, and $.075 million per quarter for DS1 service, and no more than $0.5 million in a calendar (January-December) year ($0.250 million from July-December, 1997). Consistent with the F.C.C. program, the effective date of this program is July 1, 1997.

Ameritech Ohio proposes to revise its Ameritech Tariff, P.U.C.O. No. 20, to establish the minute of use (MOU) rate for the IntraLATA Presubscription Implementation Charge in Part 21, Section 2. Pursuant to the Commission's Finding and Order dated January 4, 1999, in Case No. 96-1353-TP-ATA, In the Matter of the Application of Ameritech Ohio to Revise its Ameritech Tariff, P.U.C.O. No. 20, To Add IntraLATA Presubscription, a mechanism was developed for the recovery of the incremental costs directly associated with the implementation of intraLATA presubscription. The Finding and Order instructed Ameritech to file with the Commission an actual MOU rate no later than 12 months and 15 days after the date of implementation of intraLATA presubscription. The proposed rate has been set at $0.005121 and will be applied to originating intraLATA switched access minutes generated on lines that are presubscribed for intraLATA toll service. This rate will remain effective for a period of three years.

EXHIBIT C-3

Certificate of Service

I hereby certify that a copy of the foregoing has been served this 1st day of February, 2000, by first class mail, postage prepaid, on the parties shown below.

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MCI Telecommunications Corporation
205 North Michigan Avenue, Suite 3700
Chicago, Illinois 60601

Jon F. Kelly

CERTIFICATE OF SERVICE

I, Terri Yannotta, do hereby certify that on this 22nd day of February, 2000, a copy of the foregoing "Reply Comments of AT&T Corp." was mailed by U.S. first-class mail, postage prepaid to the parties listed below:

Jon F. Kelly
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February 22, 2000